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Subject: Microsoft Settlement

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Microsoft is marked for destruction.

Over the last 225 years our government has progressively become more of a destroyer than a protector of rights.

Whether the issue involves a whole industry, a single company, or a single individual, the fundamental principle is the same. Either people possess the right to their own life (which includes the right to trade freely with other men) or, they do not.

Increasingly, the government's answer has been that they do not.

The Justice Department's apologists claim that the assault on Microsoft (and on hundreds of other companies now facing antitrust suits) is necessary to encourage innovation.

But how can achievement in any field be fostered by attacking and penalizing the achievers?

Would anyone accept the principles behind the antitrust laws as the best rule for running one's own company? The principle that one should fire or demote the most successful workers in order to make room for the undistinguished ones?

Would anyone want this to be the standard used by his employer when it comes to judging his own work?

Most people would respond to such a plan with outrage. They would recognize it as a destructive injustice, as an assault on ability and achievement.

Because Microsoft has been more successful than its competitors, prosecutors are seeking to impose special restrictions on the production and marketing of its products. Microsoft's competitors won't face these restrictions.

Microsoft must be FORCED (in the words of competitor Jim Barksdale) to "play by a different set of rules." It is likely that these restrictions will be administered by a federal judge, who will have the authority to block Bill Gates's future business decisions if he decrees that they are "anti-competitive."

Finally, many of Microsoft's competitors have argued that, because Microsoft's Windows operating system is used by so many people, it is an "essential" product and must be handed over to a separate, government-regulated company that will administer it for the "public good."

In other words, because Microsoft has been too successful, it must be hobbled, regulated, and... expropriated.

Is Microsoft a f??monopolyf???

Not in the proper, derogatory, traditional sense of the term.

Unlike the old AT&T Bell monopoly, or today's U.S. Post Office monopoly, Microsoft did not gain its market share by having the government outlaw its competitors: Microsoft earned its position in the free-market. By being so efficient, Microsoft has earned a dominant spot in the market, but this does not mean the company has "monopoly power."

Did Microsoft f??twist the armsf?? of its competitors?

This sloppy metaphor is a vicious lie.

Only the government has the legal power to twist (and even break) arms. The only f??twistingf?? Microsoft engaged in was the legitimate practice of setting the terms of sale for its property.

Today the world's wealthiest man, Bill Gates was once an unknown college drop-out with big talent, a big ego, and big ideasf??but a fairly small bankroll:

the Geek David facing the Goliath IBM.

But in time, the capital markets recognized the talent and potential in Gates (in his ideas, his products, and his company). The capital markets are a crucial means by which new entrants with good ideas and products grow bigger.

Creators like Gates are the fountainheads of human achievement, but they can not and do not create in a vacuum. Workers, suppliers and customers may not match their talents, but they're important to their commercial success.

Has it been forgotten that Microsoft created the products that made the market in question possible?
Has it been forgotten that Microsoft owns the goods it produces?

The right to private property means the right to hold it, to alter it, to exchange itf??that is, to control it. Is a firm guilty of controlling its own property? It is under antitrust.

To prosecute a firm for the right to its own property is to obliterate the right to property as such.

If laggards like (disgruntled rival) Netscape truly had a superior, commercially viable array of products, capital would have rushed to its door. That capital did not is no fault of Microsoft and no sign of coercion.

Capitalist competition, despite all the derisive descriptions given it by critics (such as f??vicious/cut-throat"), is in fact voluntary and peaceful.

Indeed, it entails a significant degree of cooperation and coordination (among producers, suppliers -and- customers). This does not mean self-sacrifice; capitalist competition is certainly vigorous. It is no tea party; nor should it be. It's a competition of wits and abilities, not a battle of fists or weapons.

By what stretch of the imagination does the Department of Justice conflate f??arm-twistingf?? with Microsoft's refusal to license its products to vendors who do not accept its terms?

This is not coercion because:
If a vendor refuses Microsoft's offer and walks away (as he is free to do), the vendor will be no worse off than if he did not deal with Microsoft in the first place.

Did Microsoft f??hurtf?? competitors like Netscape by giving away a free Internet browser with its Windows operating system (when Netscape wanted to charge you \$30)?

No more so, than when McDonald's bundles its meat patties with a McDonald's bun does it hurt all the bread makers. Such actions may frustrate their competitors' wishes, but their rights are left untouched.

Did Microsoft violate the rules of competition?

It is the application of the political principle of individual Rights-to-the-Economic-Realm of production (and trade) that gives rise to the rules of free-competition.

To determine whether Microsoft violated the rules of competition; therefore, one has to determine whether Microsoft violated anyone's rights. Clearly, Microsoft did not violate the rights (life, liberty, and property) of anyone.

By allowing judges to sidestep the issue of rights in favor of considerations, such as the f??public interest", the antitrust laws effectively grant government the power to violate Microsoft's rights, i.e. the power to take over and control Microsoft's property and use it against Microsoft's interests.

Thanks to the antitrust laws
once a judge has arbitrarily classified a business as a f??monopolyf??,
the government is given free rein to:
-PLUNDER of vast sums of money from Microsoft's bank account (through triple
fines for so-called f??damagesf??);
-REPLACE Bill Gates with a government f??overseerf?? who will make the important
strategic decisions at Microsoft;
-FORCE Microsoft to advertise and distribute its competitor's products;
-COMPEL Microsoft to give up its f??trade secretsf?? and intellectual property
to those who condemn it.

From start to finish, the entire antitrust process is no more than a process
of sacrificing and cannibalizing successful American businesses (such as
Microsoft, ALCOA, US Steel, Standard Oil) on the guillotine of egalitarianism
to appease envious competitors.

Or, to quote Alan Greenspan,
who (upon a complete examination of the theory and history of the antitrust
laws) wrote: f??f?|the effective purpose, the hidden intent, -and- the actual
practice of the antitrust laws in the United States have led to the
condemnation of the productive and efficient members of our society BECAUSE th
ey are productive and efficient.f??

KEY ISSUE

Key issue in Microsoft antitrust case is not "consumer welfare" or
"innovation" but individual rights. The growing economy has been the result
of the simple fact that until now, the government has stayed out of the way
of high tech. The creators recognize that wealth is created, not seized.

Did Microsoft halt f??innovationf?? ?
(the process of discovering a better way to do things)?

No private business can stop other companies from innovating except by
out-innovating them.

Harm to consumers has nothing to do with the purpose of antitrust. One of
the government's main complaints was that Microsoft was providing free copies
of its Internet browser. (Only someone working for the government could
conclude that free products are bad for consumers).

Antitrust case law is replete with examples of companies being punished (not
for any alleged harm) but simply for having the acumen to remain successful
in their industries.

The antitrust laws are intended only to punish "power". But since economic
power is earned on the free market, this means that the purpose of antitrust
is to punish successful business practices.

Given this legal context, Microsoft was doomed before it even set foot in the
courtroom. Applying the underlying anti-success principle of antitrust, the
ruling against Microsoft was... without finding ANY harm at all!

The reason that Microsoft is an extremely successful company?
Gates is a unique combination of technological genius and businessman,
reminiscent of earlier American giants like Thomas Edison. Thus, it was
irrelevant how hard Microsoft's attorneys worked, or how much intellectual
vigor they brought to their legal briefs and courtroom arguments.

These things were irrelevant because NO army of lawyers could hide a single,
essential fact (the only fact necessary for applying the antitrust laws):
Microsoft succeeds at what it does. The punishment doled out for success is
paralysis.

Judge Jackson's absurd conclusion?
Microsoft must not be permitted to capitalize upon its well-earned success.
Because it has created values, it must now... relinquish them.

The Microsoft case is (at its heart) an attempt to impose socialist central planning on the computer industry. And worse, to do so in an anarchic, ad-hoc manner, one federal court ruling at a time.

Contrary to the statist theories of the demand-side Keynesian economists (who are quoted daily by the media), it is corporate investment that strengthens America (through the creation of jobs and wealth), NOT spending by the government.

Production drives consumption, not vice versa.

Yet corporate America is derided as "big business" or "the wealthiest 1%", (make that: the most productive 1%). And some members of Congress would rather fund their "entitlements" on the backs of the most productive group in our nation.

It is immoral to penalize corporations -and- the wealthy (the productive) with higher taxes and then redistribute their property (which they earned and others did not) to those who didn't create it just because "the wealthy" can afford it" (and, therefore, are less equal under the law.

Economic power is the power to create and produce.
Political power is the power to coerce and punish.

Economic power entails intellectual achievement.
Political power entails physical aggrandizement.

Economic power involves voluntary trade to mutual advantage, trade with whomever you choose to deal and with whoever chooses to deal with you. Unlike political power, which entails fear and punishment, economic power means the offering of incentives and rewards.

Economic power is the power of a dollar (how many you earn and how many you can spend determines the extent of your f??power"). Political power involves involuntary subjugation to the state, which has sole discretion over the use of force.

In a free society, government may ONLY use its power in retaliation against those who initiate force or fraud.

Unless it seeks tyranny,
no government may use such power to itself initiate force or fraud against innocent parties. To the extent it does, it acts as a robber or a gang.

But far worse: a robber or gang with no higher, legal authority above, controlling it.

Economic power is wholly innocent of any hint of the initiation of force (or even of retaliatory force). Productive giants such as Carnegie, Ford and Gates don't just have less power than politicians or pose less danger than tyrants. They have NO political power at all and present no danger whatsoever.

Political power, at root, is the power of a gun, of the police, the military, the taxman, and the jailer. If you flout the law (whether a just law or an anti-trust law) you must submit. But no one f??mustf?? submit to a business proposition.
Not even from... Bill Gates.

Capitalism (the social system based on the principle of individual rights), is not merely the 'practical', but the only moral system in history.

No politico-economic system has ever proved its value so eloquently or has benefitted mankind so greatly. And none has ever been attacked so savagely, viciously, and blindly. The flood of misinformation, misrepresentation,

distortion, and outright falsehood is a terrible injustice.

If they want to break Microsoft, let THEM come in with the guns and do it themselves; let THEM figure out how to do it.

The Microsoft antitrust suit is a case of politicians destroying one of America's most successful companies just to satisfy the demands of its rivals.

What an obscene travesty! Microsoft, a leading producer using voluntary cooperation is derided as a coercive thug.

Meanwhile its puny rivals (puny because they couldn't sell their inferior products) are permitted to wield actual coercive power, with the full backing of the world's most powerful governmentf??worse, from that government's f?? Justicef?? Department.

N. White